



## RESOLUTION

### RELATING TO REAL PROPERTY TAX COMPROMISES.

WHEREAS, Ordinance 13-33 created a Residential A general class ("Residential A") for the purpose of real property taxation; and

WHEREAS, per Section 8-7.1, Revised Ordinances of Honolulu 1990, as amended ("ROH"), Residential A includes real property with an assessed value of \$1,000,000 or more that does not have a home exemption; and

WHEREAS, for the tax year 2014-2015, more than 7,000 properties were reclassified from Residential to Residential A; and

WHEREAS, through Resolution 14-53, CD1, the Council adopted real property tax rates for tax year 2014-2015, with a Residential rate of \$3.50 per \$1,000 of assessed value and a Residential A rate of \$6.00 per \$1,000 of assessed value; and

WHEREAS, many owners of these reclassified properties who would qualify for a home exemption were unaware of the new class and 71 percent higher tax rate and did not meet the September 30, 2013 deadline to file a home exemption; and

WHEREAS, the reclassification resulted in substantial tax increases for these affected property owners and many are financially unprepared to pay the large increase in their property tax; and

WHEREAS, the City has, on occasion, granted real property tax compromises to organizations to address a public need and to individuals to address unintended consequences of property tax reclassifications; and

WHEREAS, in acknowledgement of the ongoing financial hardship being endured by owners of residential property that qualifies for a home exemption, but who are being taxed at the Residential A tax rate, the Council passed Resolution 14-179, which resulted in many owners having their tax liability compromised by the city administration to an amount reflecting application of the residential tax rate for the 2014-2015 tax year; and

WHEREAS, one requirement for this compromise was that owners of affected parcel had to apply for a tax compromise by September 30, 2014; and

WHEREAS, many owners failed to meet the September 30, 2014 deadline for various reasons; and



## RESOLUTION

---

WHEREAS, as a result of the owners' failure to meet the deadline, many owners did not receive a compromise under Resolution 14-179; and

WHEREAS, Section 8-1.3(l), ROH provides that the Director of Budget and Fiscal Services may compromise a claim relating to real property taxation not exceeding \$500.00 with the approval of the Corporation Counsel, and may compromise a claim exceeding \$500.00 with the approval of Council; and

WHEREAS, Section 2-3.1(d), ROH, provides that Corporation Counsel has the power to compromise claims in favor of or against the City not requiring payment in excess of \$5,000.00 or to compromise claims in excess of \$5,000.00 with approval of the Council under Section 2-3.4(a), ROH; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that for tax year 2014-2015 only:

1. Owners of parcels that were reclassified from Residential to Residential A are hereby granted a reduction in their tax liability by compromise under Section 8-1.3(l), ROH, provided the owner:
  - (a) Certifies by November 17, 2014 that the parcel would have qualified for a home exemption on October 1, 2013, and will continuously qualify for a home exemption through September 30, 2015;
  - (b) Files a home exemption by November 17, 2014; and
  - (c) Applies for a tax compromise by November 17, 2014;and provided the Department of Budget and Fiscal Services approves of the compromise.
2. The Department of Budget and Fiscal Services shall consider all applications on a case by case basis and, if the application is approved, then the tax liability pertaining to that application will be compromised as determined by the Department.
3. Compromises of individual claims provided herein that exceed payment by the City of \$5,000.00 by refund or credit, with interest, are hereby approved by the Council under Section 2-3.4(a), ROH in the amount paid by the owner in excess of the taxes due for the 2014-2015 tax year, as compromised to the Residential tax rate.



## RESOLUTION

BE IT FINALLY RESOLVED that a copy of this Resolution be transmitted to the Director of Budget and Fiscal Services.

INTRODUCED BY:

*H. [Signature]*

*[Signature]*

DATE OF INTRODUCTION:

**OCT 23 2014**

Honolulu, Hawaii

Councilmembers

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

**RESOLUTION 14-255**

Introduced: 10/23/14

By: IKAIKA ANDERSON

Committee: COUNCIL

Title: RESOLUTION RELATING TO REAL PROPERTY TAX COMPROMISES.

Voting Legend: \* = Aye w/Reservations

---

CC-244 – KOBAYASHI – RE-REFERRAL OF RESOLUTION 14-255 FROM BUDGET TO COUNCIL FLOOR.

---

NOTE: EFFECTIVE NOVEMBER 4, 2014, COUNCILMEMBER BREENE HARIMOTO, REPRESENTING COUNCIL DISTRICT VIII, RESIGNED FROM OFFICE. (Refer to Communication CC-245)

NOTE: BRANDON ELEFANTE WAS SWORN IN AND TOOK OFFICE AS A MEMBER OF THE HONOLULU CITY COUNCIL ON WEDNESDAY, NOVEMBER 12, 2014 REPRESENTING DISTRICT VIII.

---

11/12/14 COUNCIL

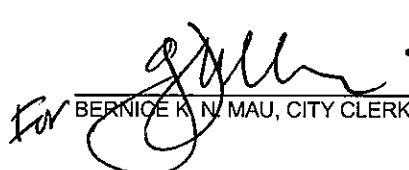
RESOLUTION 14-255 WAS ADOPTED.

8 AYES: ANDERSON, CHANG, ELEFANTE, FUKUNAGA, KOBAYASHI , MANAHAN, MENOR, PINE.

1 ABSENT: MARTIN.

---

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

For  
BERNICE K. N. MAU, CITY CLERK

  
ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER